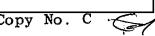
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1 May 1963

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CENTRAL INTELLIGENCE BULLETIN

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<u>USSR</u>: The lagging Soviet construction program is apparently to undergo a thorough overhaul.

I. T. Novikov, chairman of the State Committee for Construction, has canceled arrangements for his forthcoming trip to the US. He told Ambassador Kohler that a decision had been made for a complete rework of present plans this month and that he had been put in charge of this operation. Novikov's visit was to have been in exchange for Secretary Udall's trip to the USSR last summer.

In his speech of 24 April, Khrushchev included harsh criticism of the construction program. Planners have repeatedly attempted to limit new construction starts and to concentrate investment on the completion of projects already under way, but Khrushchev admitted that the backlog of uncompleted construction jobs continues to grow. He suggested that Moscow henceforth approve all new construction starts.

Khrushchev singled out lagging construction in the chemical industry, inadequate planning of Siberian development, and failure to fulfill the housing program. Any general reappraisal of construction programs, however, will probably affect projects in many areas. Many less important projects would probably be suspended or abandoned.

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Soviet Bloc: There are indications that the Council for Mutual Economic Assistance (CEMA) may have encountered some unusual problems.

Although the Executive Committee of CEMA regularly meets only every other month and concluded its last meeting as recently as 25 April, it is to meet again within the next 10 or 12 days. The forthcoming session could be related to Rumania's conflict with CEMA over its role in CEMA plans for economic integration.

The Polish representative to CEMA stated on 29 April that the recent meeting "was pervaded by the concern" with which the member countries "approached the expansion and deepening of cooperation" within CEMA.

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<u>Cuba-Switzerland</u>: Fidel Castro has expressed a desire to visit Switzerland before returning from the USSR, and the Swiss Government has authorized its embassy in Moscow to grant Castro a visa if he requests it.

Castro told the Swiss ambassador in Havana of his interest in such a visit on 21 April, just five days before he left for the USSR, but gave no indication of the proposed date or duration of a trip to Switzerland. He added that he would also like to visit some Scandinavian country.

Swiss Foreign Minister Wahlen commented that Castro's interest in visiting Switzerland could be motivated by a desire to counterbalance the effect of his USSR visit.

Cas-

tro is anxious to avoid leaving the impression that Cuba is a Soviet satellite.

There is no indication that he intends to visit any of the European satellites after the USSR. Visits to Switzerland and perhaps to Sweden, as well as his scheduled trip to Algeria, could be designed to create the impression of independence from Moscow.

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Wahlen has also asserted that while his government is far from enthusiastic about Castro's proposed visit, it would do no harm for Castro to see what a capitalistic country like Switzerland can do for its people.

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India - Nationalist China: (Cooperation between New Delhi and Taipei is growing despite the absence of formal diplomatic relations.)

(An unofficial Chinese Nationalist mission will be established in New Delhi in early May, ostensibly under the jurisdiction of Taipei's Information Ministry. The mission will be headed by Chang Kuo-hsing, a Hong Kong publisher with contacts in India, and eventually will include three representatives of Nationalist security agencies.)

Interest in setting up such a mission grew quickly in both capitals after Communist China's attack on India brought about a noticeable lessening of the Indian Government's long-standing antagonism toward the Taiwan regime. Chang Kuo-hsing was received in New Delhi earlier this year by both Nehru and President Radhakrishnan and obtained their permission to establish the mission.

(The mission's first task will be to arrange for the loan to India of ten Chinese language officers.)

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*Italy: Communist gains and Christian Democratic losses in the 28-29 April national elections will complicate efforts to form a new government.

Both the rightwing of the Christian Democratic Party and the left wing of the Nenni Socialists can be expected to oppose, with renewed vigor, a reconstitution of Premier Fanfani's center-left regime. Returns on the preferential voting, which will not be available for several days, will probably determine how much weight these factions will carry in their respective parties and hence on the formation of a government.

In any case, negotiations will probably be slowed by pressure from such political leaders as former premier Scelba, a right-wing Christian Democrat, for a return to the discredited four-party centrist formula of the early postwar years.

Much will also depend on Social Democratic leader Saragat, whose party made large gains in the elections, and who has been a vigorous advocate of the center-left formula. He will almost certainly press for a continuation of the present arrangement at the outset of negotiations. He has in the past, however, backed centrist coalition governments when he felt this was the only alternative to a prolonged political stalemate.

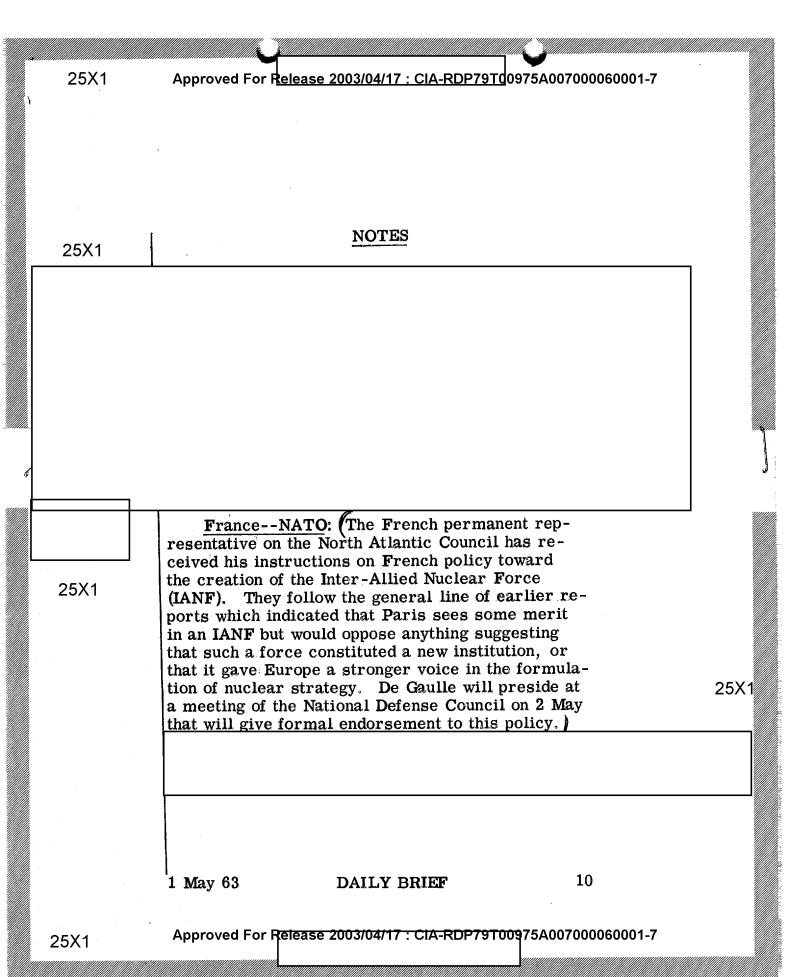
In spite of all the difficulties involved, continued adherence to the center-left formula seems likely. The upsurge in Social Democratic strength and the fact that the Nenni Socialists more or less held their own leave no viable alternative. Despite impressive

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gains by the Liberals on the right, a simple Christian Democrat-Liberal coalition would not command a parliamentary majority. The extension of such a coalition to include neo-Fascists would not be acceptable to the present Christian Democratic leadership.

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Panama: The Panamanian Communist Party (PDP) is planning to incite violence during May Day celebrations in the western province of Chiriqui, where resentment among banana workers of the United Fruit Company has recently been increasing. Although the PDP has long been ineffective and discredited, it has, in the last few months, substantially improved its methods of operation and some of its members have received money from Cuba. The Panamanian Government is forewarned of the Communists' plan to stir up trouble in Chiriqui, and its security forces will probably be able to keep the situation from getting out of hand.

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The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Director, National Aeronautics and Space Administration

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant Secretary of Defense

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

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